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RUEHBJ/AMEMBASSY BEIJING PRIORITY 1719
RUEHKO/AMEMBASSY TOKYO PRIORITY 1586
RUEHIT/AMCONSUL ISTANBUL PRIORITY 2155
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0782
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHMFISS/CDR USCENCOM MACDILL AFB FL PRIORITY
RUEHVEN/USMISSION USOSCE PRIORITY 2599
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C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000748

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [EINV](#) [KCIS](#) [RS](#) [UP](#) [TX](#)

SUBJECT: TURKMENISTAN: BERDIMUHAMEDOV FOLLOWS HIS OWN
PATH AT THE PETERSBURG CIS SUMMIT

REF: A. ASHGABAT 0173

[1](#)B. ASHGABAT 0300

[1](#)C. ASHGABAT 0525

Classified By: CDA RICHARD E. HOAGLAND: 1.4 (B), (D).

[1](#)1. (C) SUMMARY: At the June 6 CIS Summit in St. Petersburg, President Berdimuhamedov reaffirmed Turkmenistan's neutrality and held bilateral meetings. While expressing support for the relatively new goal of expanding economic ties among the CIS states, he again reminded attendees and observers Turkmenistan remains on the sidelines of the organization and loyal to its neutral status. During the event, he held substantive meetings with Russian President Medvedev and Ukrainian President Yushchenko. While there has been no readout of his meeting with Medvedev, his meeting with Yushchenko was an intense effort to solve the two countries' dispute over the disastrous Ashgabat tunnel construction project. This dispute continues to be at the center of the poor bilateral relationship, but the Turkmen seem to be as intent as the Ukrainians on resolving it once and for all. END SUMMARY.

[1](#)2. (C) President Gurbanguly Berdimuhamedov attended the June 6 CIS "informal summit" in St. Petersburg, and reaffirmed Turkmenistan's status as an "associate member" that participates in such fora while keeping its permanent neutrality intact. In a public statement during the meeting, he said one of Turkmenistan's key foreign policy priorities was to strengthen its bilateral relationships, both within the CIS and outside of it. Russian press was rosy and positive, reporting that the summit's primary focus was to deepen and expand economic collaboration among the CIS states, and to increase cooperation on the development of a regional transportation network.

[1](#)3. (C) The only sign of a Turkmen commitment to the forum appears to have been Berdimuhamedov's offer to host a CIS Agricultural Producers' Forum and a related agricultural exhibition in Ashgabat in 2009, but the proposal more likely was an effort to put Ashgabat in the spotlight once again as an attractive venue for a large multinational meeting. After

arriving in St. Petersburg, Berdimuhamedov attended to his bilateral priorities, and met with Russian President Medvedev and later with Ukrainian President Yushchenko.

¶4. (C) Press coverage of Medvedev's meeting with Berdimuhamedov was positive and non-specific, although Russian concern regarding the recent visit of several high-ranking U.S. delegations to Azerbaijan and Turkmenistan was manifested when Medvedev announced during the summit that he would visit both countries in early July. In Ashgabat, he said, he wanted to discuss "enhancing and intensifying the traditional partnership."

¶5. (C) According to Ukrainian Embassy political secretary Igor Roman, his government had urgently requested a bilateral presidential meeting during the CIS summit. President Berdimuhamedov agreed to meet with President Yushchenko at the Ukrainian Consul General's residence. The conversation was "sharp," and centered primarily on the continuing dispute between the Ukrainian construction company Interbudmontazh and Turkmenistan's government over the abandoned, financially-quagmired and water-logged Ashgabat tunnel project (refs A and C).

¶6. (C) Berdimuhamedov told Yushchenko that the two countries' troubled bilateral relations would not improve until Ukraine proposed an acceptable way to get the project back on track. Turkmenistan's president said that the entire relationship is in jeopardy because of Interbudmontazh's poor performance in Turkmenistan, but he does not want the

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relationship to worsen. Roman said the Ukrainian president agreed that resolution of the dispute should be a top priority. Yushchenko and Berdimuhamedov eventually agreed on a short timeline of events to get the ball rolling.

¶7. (C) The Ukrainian government's envoy on this issue, Ukrainian industrial magnate Sergey Taruta, will return to Turkmenistan the week of June 9 and meet with Turkmen officials to try to resolve the most difficult issues (ref B). He may propose that an alternate company complete the construction. When and if serious problems are resolved, the Ukraine-Turkmenistan Intergovernmental Economic Commission will meet soon thereafter to work out remaining technical issues. As a final step, Yushchenko proposed that Berdimuhamedov make an official visit to Kyiv in the coming months, and documents, including possibly a new project contract, would be signed.

¶8. (C) Turkmenistan's Deputy Prime Minister/Foreign Minister Rashid Meredov made a point of asking the Ukrainian side not to release any of the negative or substantive details of this tense meeting to the Ukrainian media. Instead, he requested that the meeting be described briefly and in simple terms as positive and constructive. Yushchenko agreed, and press reports on the meeting were muted. The Ukrainian president's invitation for Berdimuhamedov to visit Kyiv was the only significant detail made public.

¶9. (C) COMMENT: Berdimuhamedov continued to walk a careful line at the summit, staying clear of multilateral entanglements while also confirming Turkmenistan's commitment to the bilateral relationships it values. While he showed willingness to participate in the forum and confirmed Russia as an important partner, his own agenda and priorities were made clear.

¶10. (C) COMMENT CONTINUED: In spite of its clear frustration with finding a solution to this business dispute, Turkmenistan's government still appears to want the project completed, and wants to normalize its relationship with Ukraine. There is little doubt that the project will cost much more to complete than originally anticipated, given the ever-rising cost of construction in Turkmenistan; but if Berdimuhamedov refuses to sign a new contract, the tunnel,

and the relationship with Ukraine, will remain a big, deep
hole filled with murky water. END COMMENT.
HOAGLAND